

DRAFT:   
20 Nov 72

MEMORANDUM FOR: Deputy Director for Intelligence  
Deputy Director for Plans  
Deputy Director for Science and Technology  
Deputy Director for Support

SUBJECT: Acquisition of ADP Equipment and Services

REFERENCES: (1) Memo dated 21 Apr 70 to DD's from  
ExDir, same subject  
(2) ExDir's Program Execution Procedure  
dated 25 Sept 72  
(3) Para 2 (15c) of my memo dated 22 Feb 72  
subject: Information Processing  
Recommendation 15

1. This memorandum consolidates and seeks to clarify instructions for requesting Executive Director approval and for submitting "Notice of Imminent Action" (NIA) concerning ADP procurement actions. This memorandum supercedes Reference (1), corroborates Reference (2) and (3), and constitutes a new authority on approvals for ADP acquisitions.

2. Thresholds for ADP Approvals and NIA's

The thresholds for Executive Director approval and for NIA's regarding ADP procurement actions are specified in Attachment A. [These thresholds stem from Reference (2).]

3. Coordination with OCS

Coordination with the Office of Computer Services (OCS) will be carried out prior to seeking Executive Director approval for acquisitions of computer hardware or ADP contract services which meet or exceed the thresholds shown in Attachment A. [This coordination with OCS derives from Reference (3).] OCS, in coordinating such ADP procurement requests,

will provide written comments as it deems relevant, including answers to the questions shown in Attachment B.

4. ADP Approval Procedures

Requests for approval of ADP acquisitions may be incorporated into the spring Program or submitted on an ad hoc basis throughout the year. In either case, the information submitted will cover the questions shown in Attachment C, together with any other specifics deemed relevant.

Requests for ADP approvals contained in the spring Program submission may relate to acquisitions planned for either of the two upcoming fiscal years. Ad hoc requests for ADP approvals will be submitted to the Executive Director at least ninety (90) days prior to the proposed procurement action. An OCS coordination statement (para. 3, above) will be attached to any request for Executive Director approval of ADP acquisitions.

5. "Notice of Imminent Action" Procedures

NIA's should be furnished to the Executive Director not less than five (5) working days prior to a planned ADP procurement action. NIA's will cover the topics indicated in Attachment D, supplemented by any other specifics deemed relevant by the requesting component.

W. E. Colby  
Executive Director-Comptroller

Attachments:

- A - Thresholds for Executive Director Approval and NIA's Concerning ADP Acquisitions
- B - Coordination With OCS of ADP Acquisitions
- C - Questions to be Answered in Requesting Executive Director Approval of ADP Acquisitions
- D - Guide for Preparing "Notice of Imminent Action" Concerning ADP Procurements

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Thresholds for Executive Director Approval  
and NIA's Concerning ADP Acquisitions

	Thresholds	
	<u>Approval</u>	<u>NIA</u>
<u>Computer Hardware</u>		
Initial System (b)	\$ 50k (a)	(no minimum; <u>report all initial systems</u> )
Upgradings (c) <i>(increase)</i>	150k (a)	\$150k
<u>ADP Contracts</u> (d)	50k	50k

(a) Hardware thresholds are shown in terms of purchase cost. Equivalent annual rental thresholds are one-third the amounts shown.

(b) Any CIA-funded initial computer system (i. e., new or changed CPU plus peripherals, etc.) whether used as a stand-alone processor or as an integral element of some larger, computer-controlled system and whether used on Agency premises or elsewhere. (Small desk calculators, whether or not of electronic design, are excluded.)

(c) Any CIA-funded upgrading of an existing computer system (e. g., additional core, input/output devices, etc. . . . but no change in CPU).

(d) Any CIA-funded contract the principal purpose of which is to acquire software or other ADP services. (Hardware maintenance contracts are excluded.)

Coordination With OCS of ADP Acquisitions

Questions to be answered by OCS:

1. Can OCS (or other internal ADP facility) more effectively provide the support requested? If so, recommend manner of proceeding.
2. Does OCS believe the proposed acquisition will meet the need?
3. Does OCS see any significant shortcoming in the proposal (e.g., feasibility of concept, hardware, software, vendor, down-the-road compatibility, maintenance)?
4. Does OCS view the costs as representative for the support specified?

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Questions To Be Answered  
In Requesting Executive Director Approval  
Of ADP Acquisitions

1. What is the proposed acquisition? Identify hardware systems, software, or service to be procured; specify vendor.
2. What operational needs and objectives are to be served by the acquisition? Explicitly, what benefits are expected to stem from this acquisition?
3. What is the expected delivery date of the acquisition?
4. What is the cost of the proposed acquisition? What costs (and savings) can be anticipated for future years as a result of this acquisition? If funding of the proposed acquisition is not expressly designated in your program plan or budget, explain proposed manner of funding.
5. What feasible alternatives are available and why is the recommended action preferred?
6. Does the proposed acquisition have consequences which will be of interest to or affect other components? If so, briefly outline the coordination effected with the components concerned?

(Attach coordination statement by OCS.)

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Guide For Preparing "Notice of Imminent Action"  
Concerning ADP Procurements

1. Reference prior approval of the procurement by the Executive Director or state "not required."
2. State briefly the function or purpose of the procurement.
3. Identify the vendor or contractor, the hardware or service to be procured, the date of obligation, and the expected delivery date.
4. Explain changes, if any, in specifications subsequent to Executive Director approval.
5. Specify the cost of the procurement and identify the organization and project (FAN) to be charged.